



LEGISLATIVE INTERIM COMMITTEE ON SCHOOL FINANCE

Meeting #3

Cross & Joftus

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Agenda

- Opening remarks from Interim Committee
- Framing remarks
- Colorado's current funding formula
 - Overview
 - Enrollment counts
 - District adjustments
- Federal resources
- Committee discussion
 - Work groups/subcommittees
 - Stakeholder engagement
 - Interim committee field trips
- Next meeting agenda items

Framing

- What is the problem that we are trying to solve?
- Think about mechanisms that exist in the current funding system within the context of more general questions of:
 - Why was it included? What was the purpose?
 - How does this mechanism serve the intended purpose?

Framing

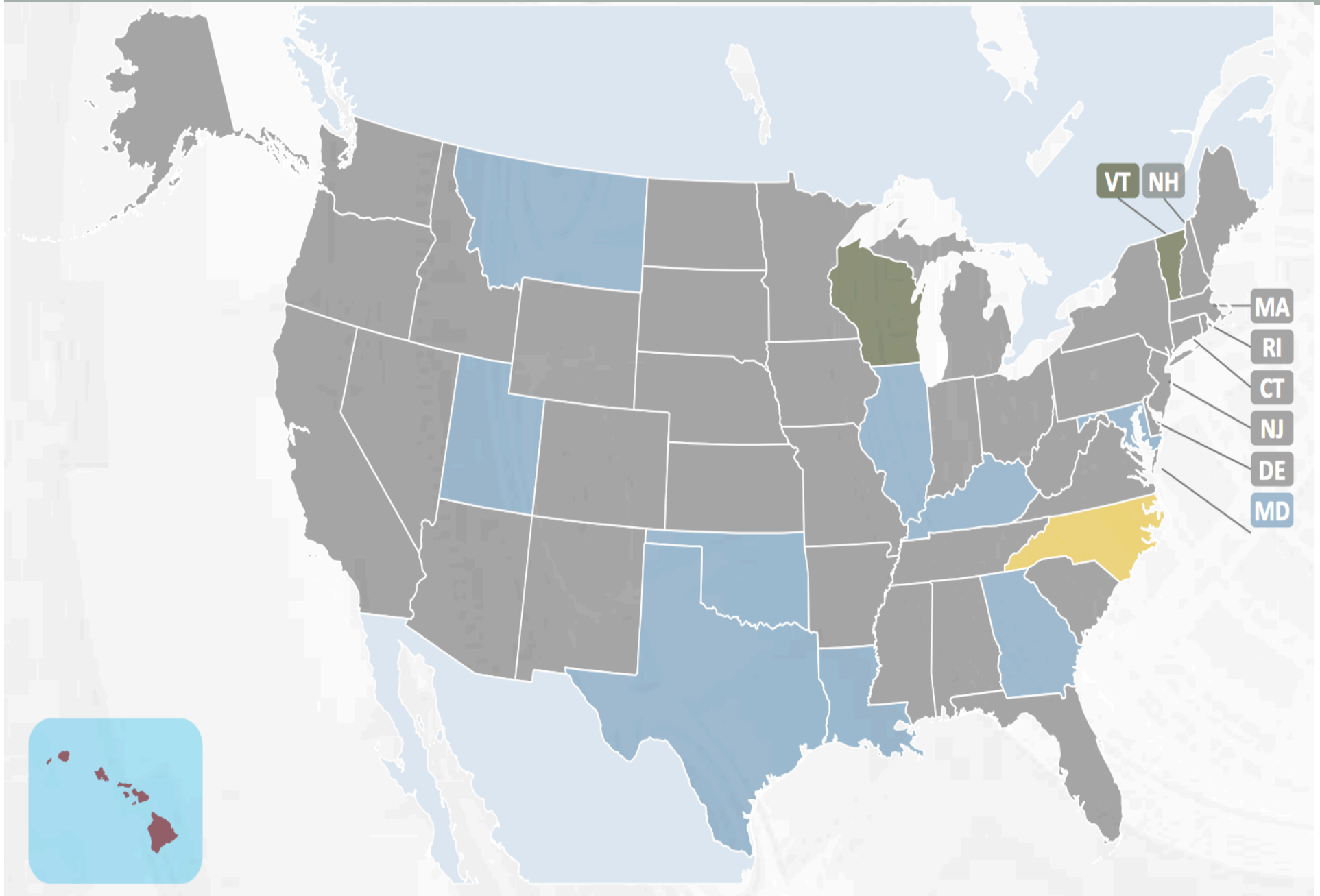
- For purposes of our conversations over the course of these meetings, think about the two sides of our conversations as *funding* and *finance*
 - Funding: allocation of resources
 - Finance: revenue generation
- Focus of today's meetings is on *funding*

COLORADO'S FUNDING

Allocation of resources

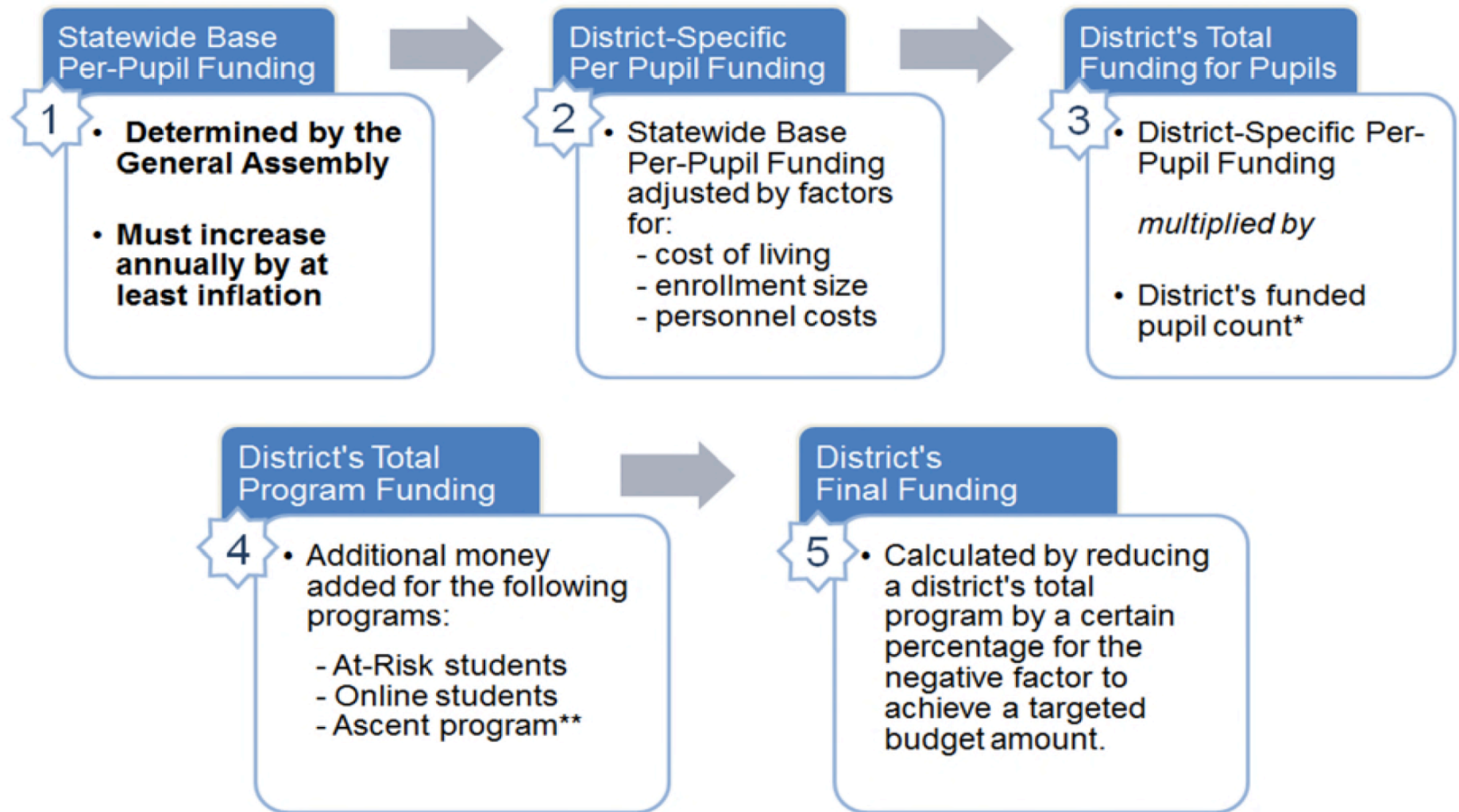
Foundation Formulas

- Foundation funding formulas provide a uniform level of funding per pupil to be financed through combination of local and state financing
- Most states use some form of a foundation formula with few exceptions (e.g., Hawaii is a single state system)
 - Differences in formulas primarily in aggregation of the “base” (e.g., Massachusetts uses 11 major cost categories)
- Several states include adjustments to the base amounts, such as cost of living
- Foundation formulas are often supplemented with categorical programs



Source: National Conference of State Legislatures (2017) based on Verstegen (2015)

Colorado Total Program Funding

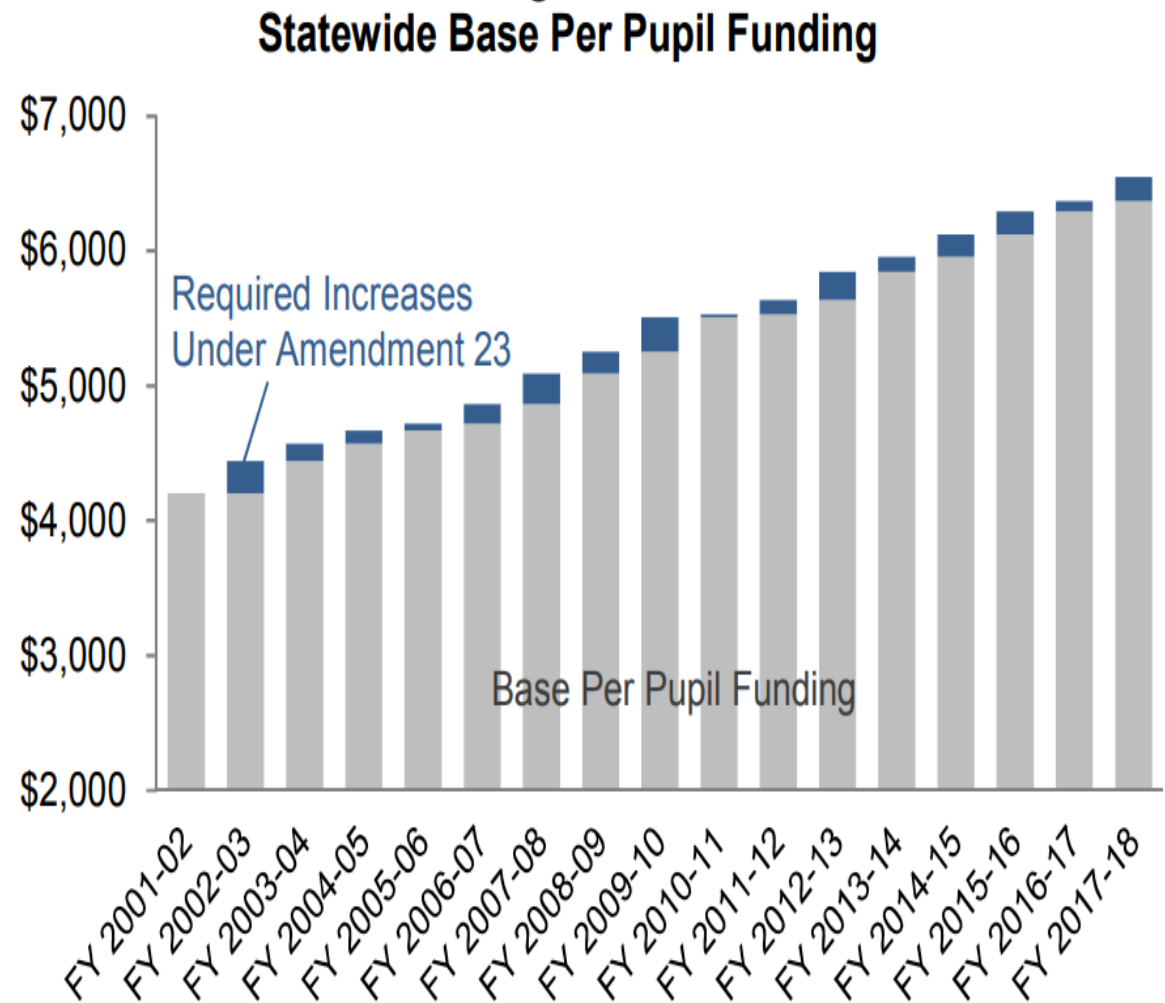


Source: Legislative Council Staff.

1. Base Per-Pupil Funding

Base Per-Pupil
Funding =
\$6,546.20 for
2017-18

- Adjusted by annual rate of inflation as required by Article IX, Section 17 (Amendment 23) beginning in 2010-11
- 2.8% for 2017-18



Source: Legislative Council Staff.

2. District-Specific Per-Pupil Funding

- Personnel Costs Factor range from 79.92% to 90.50%
- Cost of Living Factor range from 1.2% to 65.0%
- District Size Factor range from 1.0297 to 2.3958

{Personnel Adjusted Costs =
\$6,546.20 * Personnel Costs
Factor * Cost of Living Factor

+

Non-Personnel Costs =
\$6,546.20 * (1 – Personnel Costs
Factor)}

×

District Size Factor

3. District Total Funding

District-
Specific
Per-Pupil
Funding



District
Funded
Pupil
Count

- *Before at-risk and categorical funding*
- Range from \$7,618 to \$17,814 in 2017-18
- Average is \$10,509
- Median is \$8,976

4. District Total Program Funding Per Pupil

- Additional program funding provided within the foundation formula:
 - At-risk students
 - # at-risk students * 12% * District-Specific Per-Pupil Funding
 - Concentration factor funding
 - On-line + ASCENT program funding
 - # On-line & ASCENT program students * \$7,894 per pupil in 2017-18)

5. Total Program Formula Funding

- Total Program Formula Guarantee
 - \$8,187.76 per pupil * District Funded Pupil Count
- Application of the Budget Stabilization Factor
 - -11.1% in 2017-18
- Limitation on increases in total program
 - Each district's annual revenue and spending growth is limited by its percentage of growth in pupil enrollment plus the rate of inflation, in accordance with the Taxpayer's Bill of Rights (TABOR) state constitutional amendment.

Categorical Programs

- English Language Proficiency Act
- Gifted & Talented Education
- Special Education
- Transportation
- Vocational Education
- Small attendance centers

Other Educational Programs

Examples of additional grant programs (not a comprehensive list)

- Colorado Reading to Ensure Academic Development Act (READ Act 2012)
- Colorado Preschool Program and Early Childhood At-Risk Enhancement (ECARE) program
- School Bullying Prevention and Education Grant program (HB 11-1254)
- Expelled and At-Risk Student Services

FUNDED PUPILS DISCUSSION

Different Ways to Count Funded Pupils

- Single-day enrollment or attendance
 - Colorado's October 1 enrollment
 - 0.58 for Kindergarten & 0.50 or 1.00 for grades 1-12
 - Rolling average to ease declining enrollment pressures
- Average Daily Membership (ADM)
 - Enrollment at specified times of the year
- Average Daily Attendance (ADA)
 - Attendance at specified times of the year
- Grade levels
 - PK, Kindergarten, Elementary, Middle, High
 - Colorado counts Kindergarten at 0.58

DISTRICT ADJUSTMENTS DISCUSSION

District Adjustments: Cost Adjustments

- Personnel cost differences
 - Price index (e.g., Consumer Price Index)
 - Colorado Cost of Living Factor (updated in 2015)
 - Comparable Wage Index (6 states)
 - Hedonic Wage Index (5 states)
- Non-personnel cost indexes
 - Supplies, materials, and equipment
 - Utilities

District Adjustments: Economies of Scale

- Economies of scale
 - Minimum resources (e.g., Montana & Wyoming)
 - Scale factors
 - Colorado
 - Range from 1.0297 to 2.3958
 - Each size factor was reduced by 0.0045 in 2003-04
- Remoteness, isolated, and/or sparsity

FEDERAL PROGRAM FUNDING


Needed: A National Dialogue

- People at every level are confused about who is responsible for what and why
- Accountability is fragmented and overlapping
- Direction has been driven by feds, moving from broad allocation to incentives

Why Is History So Important?

“The causes of events are ever more interesting than the events themselves”

Marcus Tullius Cicero



The events, the people and the Issues
That Have Shaped the Federal Role in
Education Since WWII.

We Have a Federal Role: Not a National Policy

- At the federal level, education has been shaped by many factors:
 - Race and Civil Rights
 - Religion
 - War on Poverty
 - Politics and Special Interests

Factors that Have Shaped the Federal Role

(continued)

- National Security and Defense
- Failure of the States to Act
- International Economic Competitiveness –The Economy

Race and Civil Rights

- Brown v. Board of Education – 1954
- Civil Rights Act – 1964
- Issues of busing
- No Child Left Behind

Civil Rights

- Title IX -1972
- IDEA – 1975
- NCLB

Religion

- General Aid Bill – 1950
- Child Benefit Theory – 1965
- Vouchers – Cleveland Case - Supreme Court Decision - 2003

War on Poverty

- ESEA – 1965
- Economic Opportunity Act - Head Start

Politics & Special Interests

- Partisanship
- Watergate
- Creation of Department of Education
 - Jonestown Factor
- Small Program Creation

National Security & Defense

- Smith-Hughes Act
- Impact Aid- WW II and Korea
- National Defense Education Act

Failure of States to Act

- Many federal actions have been triggered by states not meeting needs
 - Title I
 - IDEA
 - Gifted
 - Voc Ed
 - Accountability (NCLB & Race to the Top)

International Economic Competitiveness

- NDEA – 1957
- National Education Summit – 1989
- National Education Goals – 1990
- Goals 2000 – 1994
- Competitiveness Act - 2007
- ARRA/ Recovery Act - 2009

Some Observations

- The Importance of “They Made Me Do It!”
- Need to do away with “Siloization”
- Education governance is really important
- Authority was ceded to the executive branch in DC
- Relationships are very important

Federalism Issues

- Balancing state autonomy and equal access to a quality education.
- What capacity exists at all levels? How and where to add capacity?
- How innovation can be stimulated and successful practices replicated?
- What is our national priority for education?
Are national goals and/or state goals useful?

The Federal Government as Orchestra Conductor

- In the 1950s, federal role was akin to that of second chair string status.
- In the 21st century, the federal role has become that of orchestra conductor, cuing everything from highly qualified teachers to assessments to accountability.

Federal Education Program Funding, 2017-18

Every Student Succeeds Act (ESSA)

- Title I, Part A -- \$140,227,954
- Title II, Part A -- \$21,741,951
- Title III -- \$8,419,035
- Title III, Set-aside immigrant -- \$467,725
- Title IV, Part A -- \$3,755,914

Source: http://www.cde.state.co.us/cdefisgrant/essa_prelim

Individuals with Disabilities Education Act (IDEA)

- IDEA, Part B -- \$145,985,528
- IDEA, Preschool -- \$3,519,254

Source: <http://www.cde.state.co.us/cdefisgrant/idea-part-b-fy2017-18-preliminary-allocations-pdf>;
<http://www.cde.state.co.us/cdefisgrant/idea-fy2016-17-part-b-preliminary-allocations-pdf>

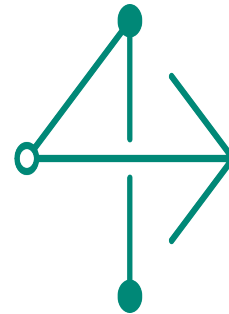
Perkins IV

- \$6,201,750

QUESTIONS & DISCUSSION

C&J NEWS

CROSS & JOFTUS



FourPoint
Education Partners

- On November 13, Cross & Joftus will become FourPoint Education Partners
- Same organization, same people, new name, website, and email addresses

www.fourpointeducation.com

We are focusing our work in four interconnected service areas:



Building coherent strategies



Equipping strong leaders



Enabling high-quality teaching and learning



Fostering continuous improvement